

Your International Islamic Bank

Press Release

Office of the President and Chief Executive

ADNAN AHMED YOUSIF IS ELECTED AS CHAIRMAN OF THE BOARD OF DIRECTORS OF THE EGYPTIAN SAUID FINANCE BANK

Manama on 23 June 2008: The Board of Directors of the Egyptian Saudi Finance Bank, a subsidiary banking unit of Albaraka Banking Group (ABG), held a meeting in Cairo on last (Sunday) at which it elected ABG President and Chief Executive Mr. Adnan Ahmed Yousif as the new Chairman of the Board of Directors as a success or to replace Mr. Mahmoud Jameel Hassoubah following the completion of the previous Board's term in office.

Mr. Adnan Ahmed Yousif was Vice Chairman of the Board of Directors of the Egyptian Saudi Finance Bank for many years, as well as being the chairman or member of the board of directors of many banking units affiliated to Albaraka Banking Group, including membership of the Board of Directors of the Group itself.

Mr. Adnan Ahmed Yousif extended his thanks and praise to Mr. Mahmoud Jameel Hassoubah for the valuable services he rendered to the Egyptian Saudi Finance Bank during his term in office as Chairman of the Bank's Board of Directors. He also thanked all the Board members who ended their term in office and welcomed the new members, wishing them every success in their new roles.

Mr. Adnan Ahmed Yousif said that the Egyptian Saudi Finance Bank is currently carrying out a series of initiatives to upgrade and modernize its departments, operating and technological infrastructure, as well as enhancing its capital resources and diversifying its sources of income. The executive management is exerting every possible effort to complete these initiatives in the best possible manner, assisted by strong support and backing by the parent company Albaraka Banking Group, with a view to preparing the Bank to seize upon the increased and growing investment and financing opportunities in the Egyptian market.

The efforts of the Executive management also have had a very positive impact on the results of the Bank. Net operating income for the first quarter of this year (2008) increased by 92% to 8.39 million compared to the net operating income of 4.37 million for the same period of 2007. Total assets increased by 37% to reach US\$1.82 billion as at the end of March 2008 compared to US\$1.33 billion as at the end of March 2007. This growth was the result of increases in all modes of finance which increased by 22% to reach US\$657 million and investments which increased by 124% to reach US\$911 million as at the end of March 2008. This growth was financed by a big increase in customer deposits and investment accounts which grew by 38% to reach US\$1.62 billion as at the end of March 2008, which financed 88.8% of the total assets. On the other hand, shareholder equity was enhanced significantly by a support loan extended by the Group to grow by 35% to reach US\$128.3 million as at the end of March 2008.

The Chairman of the Board of Directors Mr. Adnan Ahmed Yousif added that the Bank continued In 2008 to participate in large syndicated transactions to provide finance for corporations operating in a variety of economic sectors, ranging from telecommunications, air transport, airports and pharmaceuticals to tourism, as well as participating in the establishment of new companies engaged in different economic sectors and launching new deposit and finance products to meet the needs of broad segments of the public.

Furthermore, the Bank intends to expand its branching network in the near future by opening five new branches in Daqqi, Sharm El Shaikh and other cities to make a network total of 22 branches. It will also begin preparations for the construction of its new head office to be located in 6th of October City and will continue to expand the number of money changing bureaus by opening new bureaus in tourist centers such as Luxor and Aswan. Meanwhile it will continue to upgrade its computer system which will link all its branches with the central computer network, while introducing direct debit cards, prepaid cards, MasterCard credit cards and other services aimed at helping to expand its customer base. The Bank is also making the necessary preparations for the shortly expected rating of the Bank's operations by the international rating agency Moody's.

In carrying out these initiatives, the Bank seeks to achieve a high status in the banking sector in Egypt and be able to exploit the rich and varied investment opportunities created by the rapid growth of the Egyptian economy and the economic reforms package that the Egyptian Government began in 2004. The resulting stability in the foreign exchange market increased investors' confidence, encouraging them to seize investment opportunities in the Egyptian market, and as

a result Egypt came in first rank in Africa and in a position of thirty second worldwide in attracting foreign investments.

The Egyptian Saudi Finance Bank commenced operations in Egypt in March 1980 and is listed on the Cairo Stock Exchange. It is one of only two Islamic banks in Egypt and as at the end of 2007 had a network of 18 branches, in addition to a number of money changing bureaus in hotels and other strategically located sites.

Egyptian Saudi Finance Bank is one of the Banking Units of Albaraka Banking Group's (B.S.C). Albaraka Banking Group (ABG) is a Bahrain Joint Stock Company listed on Bahrain and Dubai stock exchanges. It is a leading international Islamic bank with Standard and Poors long term and short term credit ratings of BBB- and A-3 respectively. ABG offers retail, corporate and investment banking and treasury services strictly in accordance with the principles of the Islamic Shari'a. The authorized capital of ABG is US\$1.5 billion, while total equity amounts to about US\$1.53 billion. The Group has a wide geographical presence in the form of subsidiary banking Units and representative offices in twelve countries, which in turn provide their services through more than 250 branches. These banking units are Jordan Islamic Bank, Jordan; AlBaraka Islamic Bank, Bahrain; AlBaraka Islamic Bank, Pakistan; Banque AlBaraka D'Algerie, Algeria; AlBaraka Bank Sudan, Sudan; AlBaraka Bank, South Africa; AlBaraka Bank Lebanon, Lebanon; Beit Et-tamweel Al-Tunisi Al-Saudi, Tunisia; the Egyptian Saudi Finance Bank, Egypt; AlBaraka Turk Participation Bank, Turkey; AlBaraka Bank Syria (under formation) and an ABG representative office in Indonesia.

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